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Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 DOE-15 H-01 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07 SP-02
SS-15 STR-07 TRSE-00 ACDA-12 /128 W
----------021178 311912Z /43
R 311244Z MAY 78
FM AMCONSUL ISTANBUL
TO SECSTATE WASHDC 9995
AMEMBASSY ANKARA
INFO AMCONSUL ADANA
AMCONSUL IZMIR

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E.O. 11652: N/A
TAGS: BDIS, ENRG, EFIN, TU
SUBJ: MOBIL OIL PROBLEMS IN TURKEY

REF: ISTANBUL 1553

1. ON 26 MAY MOBIL-TURKEY PRESIDENT MARC CASANOVA SENT CABLE TO MINISTER OF ENERGY AND REPEATED IT TO MINISTER OF FINANCE IN RESPONSE TO MINISTER'S LETTER OF MAY 17 REPORTED REFTEL. TRANSLATION OF MOBIL CABLE FOLLOWS:

2. QUOTE WE ACKNOWLEDGE RECEIPT OF YOUR LETTER OF MAY 17, 1978 WHICH WE RECEIVED ON MAY 22ND. WE WERE ENCOURAGED BY YOUR ASSURANCE THAT STUDIES TOWARD SOLUTION OF OUR LONG OUTSTANDING PROBLEMS WOULD BE ACCELERATED.

HOWEVER, WE WERE DISAPPOINTED BY THE LAST PARAGRAPH OF YOUR LETTER WHICH WAS TO THE EFFECT THAT WHILE YOUR STUDIES TOWARD SOLUTION OF OUR PROBLEMS ARE IN PROGRESS, WE SHOULD OPERATE ATAS AT CAPACITY. TO CLARIFY THIS QUESTION,
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WE MUST AGAIN CONFIRM THAT ATAS IS NOT BEING OPERATED AT LESS THAN CAPACITY BECAUSE OF ANY LACK OF GOOD WILL ON OUR PART. INDEED, WE GREATLY DESIRE TO OPERATE ATAS AT CAPACITY. HOWEVER, CONTINUOUS OPERATION OF ATAS AT CAPACITY IS IMPOSSIBLE BECAUSE OF THE CRITICAL FINANCIAL SITUATION WE ARE CONFRONTED WITH AND WHICH WE POINTED OUT IN OUR MAY 10 CABLE TO YOUR OFFICE. FIRSTLY, WE ARE UNABLE TO OBTAIN SUFFICIENT

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FOREIGN EXCHANGE TO PURCHASE THE REQUIRED CRUDE OIL FROM OUR SUPPLIERS, WHO CANNOT EXTEND FURTHER CREDIT TO US IN VIEW OF THE ENORMOUS OVERDUE DEBT THAT WE HAVE BUILT UP TO THEM. SECONDLY, OUR TURKISH LIRA CASH POSITION, AS YOU KNOW, IS NOW NEGATIVE, AND AS A RESULT, WE CAN NO LONGER EVEN MAKE THE MANDATORY DEPOSITS AT THE CENTRAL BANK FOR CRUDE OIL IMPORTS. IN CONSEQUENCE OF OUR INABILITY TO MAKE THE DEPOSITS FOR CRUDE OIL CARGOES WE IMPORTED IN JANUARY AND FEBRUARY 1978, WE HAVE RECEIVED CORRESPONDENCE FROM THE FINANCE MINISTRY TO THE EFFECT THAT WE ARE NOW RUNNING THE RISK OF FORFEITURE OF OUR GUARANTEE DEPOSITS AS WELL AS OUR REMITTABILITY RIGHTS.

IN OUR MEETING IN JANUARY OF THIS YEAR, YOU ADVISED THAT YOU WOULD GIVE PROMPT ATTENTION TO FINDING SOLUTIONS TO OUR LONG OUTSTANDING PROBLEMS. I ADVISED AT THAT TIME THAT OUR FINANCIAL SITUATION WAS DETERIORATING TO THE POINT THAT WE SOON WOULD BE UNABLE TO OPERATE NORMALLY.

AS OUR MAY 10 CABLE CONFIRMS, WE HAVE UNFORTUNATELY NOW REACHED THAT POINT, AND ARE NO LONGER ABLE TO OPERATE CONTINUOUSLY AT CAPACITY, DESPITE OUR DESIRE TO DO SO, FAILING URGENT IMPLEMENTATION OF THE CORRECTIVE ACTIONS WE REQUESTED.

WE REMAIN AT YOUR DISPOSAL. RESPECTFULLY YOURS,
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MARC CASANOVA, PRESIDENT, MOBIL COMPANIES OF TURKEY
END QUOTE.
HOUGHTON

NNN

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 31 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Message ID: ce358c9a-c288-dd11-92da-001cc4696bcc
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